

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (3/02):
BUTTER: Grade AA closed at \$1.5025. The weekly average for Grade AA is \$1.5008 (+.0345).

CHEESE: Barrels closed at \$1.2800 and blocks at \$1.3200. The weekly average for barrels is \$1.2850 (+.0250) and blocks, \$1.3180 (+.0280).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: The butter market tone is basically steady at current price levels. Most producers and handlers continue to study the situation in hopes of figuring out a strategy on how to proceed into summer and fall. Churning schedules across the country depend on inventorying strategies. For those that are churning just to meet current and near term needs, output is limited. While those that are taking advantage of available cream volumes, production is surpassing demand and inventories are building. For the most part, demand is fair. Additional cream offerings are being reported in most areas of the country, although ice cream and cream cheese production are starting to increase slightly, thus limiting offerings to butter operations.

CHEESE: The cheese market is cautiously steady. Some traders expect price resistance could increase at these levels, especially heading into the spring peak milk production season. Current cash cheese prices at the Chicago Mercantile Exchange are comparable to late February 1999 and well above last year. Process demand remains good, but not quite as strong as a few weeks ago. During the week of February 26 – March 2, CCC purchased 198,000 pounds of Midwest process under the price support program.

FLUID MILK: A major earthquake on February 28 near Seattle caused minimal initial damage to dairy processing plants and farm production facilities in the area. Further damage may become evident later. However, power disruptions were common in the region and concern over bridge and overpass structural integrity caused some travel detours. Milk production is increasing seasonally in the Southeast, although Florida intakes are slowing as temperatures are generally in the 80's. Manufacturing plant schedules in the Southeast were lighter, heaviest on the weekend. In the Northeast and Midwest, milk production is showing minimal seasonal increases and occasional declines. Most plants had additional capacity and some operators were seeking additional fluid supplies to increase throughput. Plant production and weather related transportation problems were noted in New Mexico. Wet weather in California is affecting milk production.

Plant receipts are climbing in the northern part of the Mountain states as well as the Pacific Northwest.

DRY PRODUCTS: Concern about BSE and the highly contagious foot and mouth disease in the EU may start to affect international demand, perhaps turning it toward the U.S. to source some product. The lactose and WPC markets are firm though prices are steady. Lactose export movement is good while domestic interest is light. The WPC market is especially tight and offerings are limited as plants try to meet current commitments. The NDM market is steady. Deliveries on DEIP deals made weeks ago are reducing spot supplies. CCC continues to purchase surplus NDM volumes. Buttermilk prices are unchanged to lower. As ice cream production picks up seasonally, more buttermilk is being sold as condensed. The whey market remains weak and prices are generally lower. Food quality whey interest is steady though feed demand is lighter. Export interest may start picking up after the Chinese New Year celebrations are over.

CCC: During the week of February 26 – March 2, CCC net purchases totaled 12,785,079 pounds of Western nonfortified NDM. CCC also purchased 198,000 pounds of Midwest process cheese under the price support program.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):
 The following are the February 2001 prices under the Federal Milk Order pricing system: Class II \$13.43 (+\$.61), Class III \$10.27 (+\$.28); and Class IV \$12.70 (+\$.57). Product price averages used in computing Class prices are: butter \$1.3143, NDM \$1.0137, cheese \$1.1467, and dry whey \$.2561. The Class II butterfat price is \$1.4696 and the Class III/IV butterfat price is \$1.4626. Further information may be found at: www.ams.usda.gov/dairy/mib/classprcncmt.pdf

FEBRUARY AGRICULTURAL PRICE HIGHLIGHTS (NASS):
 The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2001 advanced 2 points to 126. Compared with February 2000, the index is up 7 points (5.9%). The index of prices received by farmers for dairy products declined 1 point during the month of February 2001 to 100. Compared with February 2000, the index was up 10 points (11.1%). Prices received by farmers in February with changes from January were: for All Milk, \$13.10 per cwt., down \$.10; Fluid Grade Milk, \$13.10, down \$.10; and for Manufacturing Grade Milk, \$11.10, up \$.20.

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**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY FEBRUARY 26	TUESDAY FEBRUARY 27	WEDNESDAY FEBRUARY 28	THURSDAY MARCH 1	FRIDAY MARCH 2	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2800 (+.0100)	\$1.2900 (+.0100)	\$1.2900 (N.C.)	\$1.2850 (-.0050)	\$1.2800 (-.0050)	+.0100	\$1.2850 (+.0250)
40# BLOCKS	\$1.3100 (+.0100)	\$1.3200 (+.0100)	\$1.3200 (N.C.)	\$1.3200 (N.C.)	\$1.3200 (N.C.)	+.0200	\$1.3180 (+.0280)
BUTTER GRADE AA	\$1.5000 (-.0025)	----	\$1.5000 (N.C.)	----	\$1.5025 (+.0025)	N.C.	\$1.5008 (+.0345)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are no longer reported here. Extra Grade and Grade A prices are \$1.0300. They last changed 9/1999. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, FEBRUARY 26, 2001

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.3050, 1 @ \$1.3100; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2800; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 3 CARS GRADE AA @ \$1.5000; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.4800; OFFERS UNCOVERED: NONE

TUESDAY, FEBRUARY 27, 2001

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.3200; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2900; OFFERS UNCOVERED: NONE

WEDNESDAY, FEBRUARY 28, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 3 CARS GRADE AA: 1 @ \$1.4975, 1 @ \$1.5000, 1 @ \$1.4975; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.5000; OFFERS UNCOVERED:
 3 CARS GRADE AA: 1 @ \$1.5200, 1 @ \$1.5400, 1 @ \$1.5500

THURSDAY, MARCH 1, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.2875, 1 @ \$1.2850

FRIDAY, MARCH 2, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.2800

BUTTER — SALES: 4 CARS GRADE AA: 1 @ \$1.5300, 1 @ \$1.5250, 1 @ \$1.5100, 1 @ \$1.5025; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.4700,
 1 @ \$1.4675, 1 @ \$1.4625; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$1.5100, 1 @ \$1.5400

Dairy Market News will resume reporting of CME nonfat dry milk sales, bids, and offers, should trading activity occur.

BUTTER MARKETS**NORTHEAST**

The market tone remains unsettled, but prices are climbing. Last week at the CME, in only two days of trading, the butter price jumped 9.25 cents. Since February 2, the CME butter price has increased 20 cents. Some contacts are still concerned about this large of a price run-up at this time of year. Demand is just fair, unless speculators are putting some away for anticipated summer needs. Current consumption levels are steady at best. Increasing retail prices have a dampening effect on sales. Food service orders are about steady. Current churning activity is moderate to heavier in the East and cream suppliers are easily clearing any extra loads to Midwestern butter makers. Sales of bulk butter, f.o.b. East, are reported in a range of 2.5 – 6.5 cents over the CME price/average.

CENTRAL

Midwestern butter markets remain firm. Although the cash price is higher than many producers and handlers would desire for this time of the year, many are stating that at least recent volatility has slowed from one trading session to the next. Production schedules vary, depending on cream availability and inventorying position. Some producers are hesitant to produce too heavily above current demand while others are taking advantage of all cream offerings and building inventories. Current buyer interest is fair and for the most part, is centering around

short term needs. Upcoming East/Passover needs continue to be discussed. Some retail features have been scheduled, although some previously scheduled features have been pulled due to higher than desired costs. Bulk butter, when available for spot sales, is being offered in a price range of 1 – 3 cents per pounds over various pricing bases

WEST

Not many Western butter contacts believed that CME butter prices would be \$1.50 in February. They continue to study the situation in hopes of figuring out a strategy on how to proceed into the summer and fall. The concern is the risk in storing butter at current price levels. Bulk butter demand is fair for this time of year. Manufacturers are getting ready for Easter butter sales activity. Prints are moving well into retail and food service areas. Western bulk stocks are light. Cream sales are good with more interest beginning to show up from ice cream accounts. Weekly butter storage numbers at the CME increased by only 1.7 million pounds this week to reach 50.4 million pounds. This is the smallest weekly increase in 2001. Current prices for bulk butter nominally range from 4 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE				
	40# BLOCKS	BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
FEBRUARY 24	1.1441 7,835,669	1.1953 9,636,668	1.0121 18,668,830	1.3416 6,608,866	0.2443 8,243,676

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are sharply higher again this week. Cheese prices at the CME have, since January 12, 2001, jumped 20+ cents on barrels and 23+ cents on blocks. Most of these increases have occurred since February 1. The market tone is firm, but unsettled. Buyers, wanting to purchase before additional price increases, are tempering their purchasing as they do not want too much on hand should prices turn downward. Cheese output in the Northeast was up slightly last week due to school vacations. This week, output is expected to return to early-month levels. Supplies of cheddar are readily available for the slow to fair demand. Mozzarella stocks are in closer balance and production is clearing satisfactorily. Retail movement is just fair and food service order are steady.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3350-1.8050
Cheddar Single Daisies	:	1.2925-1.7525
Cheddar 40# Block	:	1.4325-1.6125
Process 5# Loaf	:	1.4700-1.6425
Process 5# Sliced	:	1.4900-1.7450
Muenster	:	1.4950-1.7025
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market remains firm as the cash cheese market continue to increase at the Chicago Mercantile Exchange. Some traders are expressing caution as prices continue to climb while milk receipts increase seasonally toward the annual peak expected in spring. Barrels and process cheese continue to be the major force behind recent cash price advances with blocks moving along to keep a near normal spread. Current cash prices at the Chicago Mercantile Exchange are comparable to late February levels of 1999 and well above February 2000. Sellers are finding increased interest in 60 - 90 day old cheddar, a relative bargain when priced at a discount to current cash market prices. Some additional interest is also noted in aged cheddar. Process interest is about steady at generally good levels. Natural cutting/shredding activity remains mixed. Mozzarella supplies remain fairly snug with current interest. Cheese production is relatively steady, slight increases in milk receipts are partially offset by slippage in cheese yields. Traders are also expecting the March 2 release of estimated cheese production numbers for January to show a continued decline from year ago numbers.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4800-1.5600
Brick And/Or Muenster 5#	:	1.5300-1.8850
Cheddar 40# Block	:	1.5300-2.1150
Monterey Jack 10#	:	1.7300-2.1150
Blue 5#	:	2.0300-2.1600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5400-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0450-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	FEBRUARY 26 - MARCH 2, 2001
BARRELS*	:	\$1.2600 - 1.3000 (NOMINAL)
	:	(\$.0375) (.0400)
40# BLOCKS	:	\$1.2900 - 1.3300 (NOMINAL)
	:	(\$.0500) (.0400)

() Change from previous week. * If steel, barrel returned.

WEST

Process and natural prices continue to increase following the strength in the cash cheese trading at the CME. Prices on that market are higher than at any time last year. This fact is causing some uncertainty about how to proceed from a marketing point of view for the rest of the year. Contacts wonder if prices will be able to hold during the spring flush. The strength in the market is coming from the barrel/process side. Promotions are eating through a lot of cheese. Processing solids are cleaning up very well. Current blocks are also selling well, but blocks with a few months of age are not moving well and are being discounted quite heavily. Aged cheese is abundant on the market. Swiss sales are slower and stocks are somewhat heavier. Stocks at the end of January reached 15.8 million pounds, up 6.5% from last year. Natural American stocks are 508.6 million pounds, down 0.6% from a year earlier. Mozzarella sales remain very strong because of continued feature activity at pizza restaurants.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4125-1.6725
Cheddar 40# Block	:	1.4125-1.5525
Cheddar 10# Cuts	:	1.5925-1.8125
Monterey Jack 10#	:	1.6025-1.7175
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.5100

FOREIGN

Prices are steady to higher and the market tone is little changed. The cheese market in the EU is still strong. The January demand for EU cheeses is typically slow, but this year, sales have held and are clearing the increasing output. Preliminary figures indicate that EU cheese output for the first eleven months of 2000 are up 4.1% from the same period in 1999. EU's improved internal demand for cheese may stem from the BSE crisis. Reportedly, consumers are switching from meat to cheese. Sales of EU cheese to all importing countries, except to the U.S., rose during 2000.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK	
VARIETY	:	IMPORTED	DOMESTIC
Roquefort	:	TFEWR	-0-
Blue	:	2.6400-3.1400	1.6375-3.1325*
Gorgonzola	:	3.2400-5.9400	2.1875-2.4900*
Parmesan (Italy)	:	TFEWR	3.0525-3.0775*
Romano (Italy)	:	2.1000-2.5400	-0-
Provolone (Italy)	:	3.4400-5.5000	1.6450-1.9225*
Romano (Cows Milk)	:	-0-	2.8275-5.0025*
Sardo Romano (Argentina)	:	2.6500-3.2900	-0-
Reggianito (Argentina)	:	2.6500-3.2900	-0-
Jarlsberg-(Brand)	:	2.7400-3.3100	-0-
Swiss Cuts Switzerland	:	-0-	2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	-0-
Swiss Cuts Austrian	:	2.2500-2.7500	-0-
Edam	:		
2 Pound	:	TFEWR	-0-
4 Pound	:	2.1900-3.0900	-0-
Gouda, Large	:	2.3900-3.1500	-0-
Gouda, Baby (\$/Dozen)	:		
10 Ounce	:	27.8000-31.7000	-0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
02/26/01	21,073	132,671
02/01/01	17,132	132,725
CHANGE	3,941	-54
% CHANGE	23	N.C.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	78	0	120	0	54
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the East ranges from increasing slowly in the Southeast to steady in the Northeast. Fluid milk supplies are lighter than last week and manufacturing plants are not as busy. In the Northeast, milk production is expected to continue its spiral downward due to fewer farms, cows and milk per cow. Also, quality hay is in short supply which further dampens output per cow. In the Southeast, milk production is steadily increasing along seasonal patterns. Florida output is slowing slightly as temperatures are more often in the 80's. Rain is definitely needed in Florida to replenish reservoirs and "green up" pastures. Handlers in Florida exported 78 load of milk this week. This number is down from last week as Class I milk demand is up slightly, production gains slowed, and processors entered the week with less carry over than previous week. Manufacturing plants in the Southeast are not as busy as they were. Most are now operating on weekends and down at midweek. Manufacturing plants in the Northeast are running on about the same schedules as they have been. Most have plenty of capacity should it be needed. Many contacts are concerned over the availability of milk this summer. Some contacts are stating that natural gas prices have come down significantly, but are still several times the prices they paid last year. Bottled milk sales are improved this week as school vacations are over and anticipated first of the month sales are giving a boost to bottlers' schedules. The condensed skim market is about steady, but some suppliers report that product that was "flying" out the door a few weeks ago is now a little harder to clear. A few operations have wet solids to move and that is atypical of the market for the past couple months. Prices are little changed, but with more product to move, suppliers may have to dry it or adjust pricing. The fluid cream market is firmer. Suppliers and traders report that cream is tight this week. Demand is good and spot prices are sharply higher following the gains seen last week on the CME cash butter price. The weekly average was more than eleven cents higher than the previous week. Demand from cream cheese producers is steady to improved. Ice cream output is seasonal, but the already higher price of fat is a concern to most producers. Cottage cheese production typically improves during Lent and this should clear additional volumes of cream. Churning activity is lighter as less cream is available.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.8329-1.9795
DELIVERED EQUIVALENT ATLANTA	-	1.8329-1.9942 M 1.8769-1.9355
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.9062-1.9795

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES -	1.0900-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .8100-.9600

M I D W E S T

Class I demand is stronger, particularly later in the week, stimulated by the usually improved first of the month sales and scattered retail promotional activity. In the mid and southern sections of the Midwest, late season snowfall stimulated some additional consumer sales. Some bottlers and handlers were hard pressed to fill immediate need orders. Cottage cheese and sour cream production remains seasonally good. Manufacturing milk demand is strong for the surprisingly limited

supplies. Spot milk prices on a limited test, range from \$1.75 to 2.20 over class. Cheese milk interest is stronger, bolstered by higher cheese prices. Cream demand remains good seasonally as producers try to build ice cream and Lenten product inventories early. Cream prices are again higher as flat multiplies are offset by the higher average cash butter price at the Chicago Mercantile Exchange. Reported condensed skim prices are \$1.05 - 1.13 entering March. Shipments into other federal orders for pooling purposes continues with 23 loads of Wisconsin milk direct shipped to Missouri along with 2 loads to Kentucky and 19 to Tennessee. Milk production is still little changed in the upper tier of states; steady to perhaps just slightly higher. Fat and protein tests on incoming milk supplies are drifting lower seasonally, reducing manufacturing product yields slightly.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	FEB 17 - 28	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.00- 48.00	\$ 36.00- 41.00
REPLACEMENT HEIFER CALVES	\$280.00-350.00	\$200.00-300.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	FEB 17 - 28	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.50- 55.50	\$ 32.00- 44.00

W E S T

January pool receipts of milk in California total 2.72 billion pounds, 2.9% higher than last year. The January blend price is \$11.80, 28 cents less than December 2000 and \$1.10 higher than January 2000. The percentage of receipts used in Class I products is 20.19%. The January quota price is \$12.73 and the base and overbase prices are \$11.03. These prices are 25 cents lower than last month and 98 cents higher than January 2000. Heavy rain for extended periods of time is causing some additional problems with milk production in California, especially in the south. Muddy conditions are causing increasing SCC. Some hay has been cut in the Imperial Valley and some of this is getting wet and reducing the quality. The rain and snow up at elevation should help with summer water issues. Some additional grazing is available for heifers and beef animals, which is reducing the need for some feeder type hay. Hay prices remain firm in light trading. Some plant production problems are noted this week in New Mexico. The milk is being moved around and handled very easily. At midweek, there were also some transportation problems caused by some snow and ice. These proved to be short lived. The earthquake centered southwest of Seattle on February 28 has caused minimal damage to dairy processing facilities and farm production operations. Further damage may be found over the next few days and weeks, but contacts are thankful for the minimal impact noted at this time. Power disruptions were common at dairy farms, but most have standby generators to cover outages. Some transportation issues are noted as bridges and overpasses are being inspected. Trucks are generally able to detour around these problem areas. Milk production patterns in the Pacific Northwest currently remain ideal for good early spring milk production. Most plants are noticing increasing receipts. Contacts continue to discuss the very dry conditions. Some fieldwork is starting. Growers have to make some cropping decisions based on how much water they think they will get and how much fertilizer will cost. Prices for cull cows continue to increase and are now mostly in the high 40's. Culling rates are increasing, but are still being called generally light. Very little hay is being sold at this time, but prices remain firm. Milk output is increasing faster in the northern Mountain States region. Weather conditions are generally good with more moisture noted in the southern part of the region. Water related issues are causing more concern in the region. Most believe that cropping decisions will be impacted.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 03/01/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged on a mostly steady market. Extra Grade supplies are in balance to slightly long with multiple load shipments offered at a discount. Grade A stocks are tight. Supplies are not anticipated to be readily available until perhaps mid-March. Demand is best into cheese facilities with some movement to blenders, bakeries and brokers. Production is mostly steady. Some plants are seeing seasonal increases in the milk supply while others are showing slight decreases. Condensed movement is good as ice cream production seasonally increases, alleviating expensive drying costs at some plants. High heat demand is strong with most plants unable to satisfy extra spot interest.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0025 - 1.0600 MOSTLY: 1.0225 - 1.0275

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a mostly steady market. Most trading continues to occur between .9800 and 1.0000 FOB with brand specific trade reported on the high side. Traders continue to have difficulty in believing product is being traded at \$1.07. Resale product is available at the low end of the range. Production is unchanged to lower as ice cream production seasonally increases, decreasing available condensed supplies and alleviating expensive drying costs. Stocks are generally in balance for the light to fair demand.

BUTTERMILK: .9600 - 1.0700

DRY WHEY - CENTRAL

Prices are mixed and the market tone is yet unsettled. While many plants are reportedly in a sold out position, trades continue to occur at a discount. However, good sales over the last 2 weeks are encouraging prices higher on the low side of the range. Demand is steady into food facilities and slow into feed operations. Production is unchanged with condensed supplies difficult to obtain at some locations. Offers to resellers are 1-2 cents under the average. Manufacturer and reseller offers to end-users are trending closer to the average. Export movement is good and inquiries are increasing.

NONHYGROSCOPIC: .2250 - .2500 MOSTLY: .2450 - .2500

ANIMAL FEED WHEY - CENTRAL

Prices are mostly lower on a steady to weak market. With changes in the Extra Grade market, milk replacer and roller ground prices are trending lower. Supplies are mostly in balance for the light trading interest. Many feed facilities are running their stocks low and watching for further market declines before making additional purchases. Manufacturers believe the milk replacer market may be nearing a bottom, as production is not increasing. Delactose supplies remain tight and trading is limited. Manufacturers could sell more if they had more. January calf slaughter totaled 91 thousand head, down 2% from January 2000. Hog kill totaled 8.64 million head, 6% above 2000. The January 2001 U.S. pig crop at 8.46 million head, was 6% more than the previous year. Sows farrowing during this period totaled 947 thousand head, 4% above last year.

MILK REPLACER: .1800 - .2125
 ROLLER GROUND: .2350 - .2400
 DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged and the market tone is firm. Supplies remain mixed. Most plants with the capacity to export are in a good position and beginning negotiations for second quarter. Offers are unchanged to 2 cents higher. Export movement is generally good while domestic trade is slow. Some plants are willing to trade lower on multiple load shipments in order to clear excess supplies. Inquiries are best on pharmaceutical grade or 80-100 mesh for further processing into pharmaceutical grade. Contractual movement is steady into confectionary and infant formula plants. Production is generally unchanged. Off grade is available and trading between .1350 - .1550 FOB.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1550 - .2150 MOSTLY: .1625 - .1725

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a firm market. Trading is light and supplies are tight. Most plants have nothing to offer and are barely able to satisfy contractual agreements. Cancellations from some veal facilities increased supplies at some plant locations. However, product is being readily consumed by traders and food end-users at prices within the range. Feed buyers are seeing more offers from resellers on WPC 34 and 80. They believe this may be a sign of a market reversal and are opting to watch the market rather than buy. However, manufacturers do not anticipate any changes in price or supply in the near term. Strong edible demand from domestic and export markets are expected to hold prices at the current level, especially with buyer preferences diverging away from EU protein stocks. Production is unchanged. While most plants are operating at capacity, others could take in more condensed if supplies were available. Off grade stocks are limited for the good interest.

EXTRA GRADE 34% PROTEIN: .7875 - .8200 MOSTLY: .7875 - .7925

NONFAT DRY MILK - WEST

Prices for low/medium heat powder are holding steady this week. Contacts were surprised at the light powder volumes clearing to the CCC price support program last week. Offerings totaled 6.6 million pounds with cancellations reaching 1.2 million pounds. The net offering total was 5.3 million pounds. Contacts believe that the volume being offered is much lower than the past few weeks because deliveries are now being made on DEIP commitments from 4-6 weeks ago. Domestic interest is fair at steady levels. Manufacturers are wondering what impact the BSE and foot and mouth problems in the EU might have on sales of powder from the U.S. At this time it is too early to tell. High heat powder prices moved fractionally lower. Demand for high heat powder is excellent. Some producers are noting that they are booked ahead for quite a few months. This has not been a normal occurrence for them.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9950 - 1.0250 MOSTLY: 1.0025 - 1.0175
 HIGH HEAT: 1.0300 - 1.0800

DRY BUTTERMILK - WEST

Prices range from steady to slightly lower for Western buttermilk powder. Offerings of powder are somewhat heavier. Buying activity is steady at best. The market has a little softer undertone at this time. Most contacts believe that the market will probably firm up in the very near future as the ice cream season starts up. Some areas of the country are warming up quite rapidly and are seeing ice cream demand improve earlier than normal.

BUTTERMILK: .9600 - 1.0300 MOSTLY: .9700 - .9900

DRY WHEY - WEST

The whey market is somewhat mixed this week. Prices ranged from steady to higher and lower. Stocks range from in close balance to slightly heavier than desired. Most manufacturers seem to be reasonably comfortable with the current market situation. Demand is fair domestically and picking up for exports after the end of the Chinese New Year celebrations. A whey tender from the Far East is due in at the end of next week. Many believe that the U.S. may be the major supplier because of the BSE concern from the EU and now the further complications being caused by the discovery of foot and mouth disease.

NONHYGROSCOPIC: .2200 - .2450 MOSTLY: .2250 - .2425

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
February 23	\$1.0069	12,161,949
February 16	\$1.0069	14,568,758

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

The market tone is steady. Prices are unchanged to slightly lower and remain nominal in the Northeast. The price basing point (NASS) for the national marketing agency dipped this month and March NDM sales prices have been adjusted accordingly. The drop in the base price was due to the slight drop in the CCC support purchase price for NDM. In the East, production of NDM is light. Surplus milk volumes are not as heavy as last week, and condensed skim sales are holding up quite well at most locations. Also, the price of natural gas remains an issue. Drying in the Southeast is lighter as their surplus milk volumes dropped off this week. Reports indicate that natural gas prices have come down substantially from the beginning of the year, but they are still several times what they were last year. Demand for NDM is fair to good and readily clearing Eastern output.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0300 - 1.0850 MOSTLY: 1.0300 - 1.0600

HIGH HEAT: 1.0575 - 1.1300 MOSTLY: 1.0600 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0525 - 1.1500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged and nominal. The market tone is steady. Production levels are moderate. Churning activity is heavy in those operations that are making butter. Some operations continue to sell their cream rather than make butter. Cream availability is tighter than past weeks', but contacts did report that some surplus volumes were available late in the week. Buttermilk powder stocks are closely balanced. Demand is fair to good, but mostly contractual. Spot sales are often LTL quantities or for replacement volumes. Condensed or liquid buttermilk sales are seasonal.

F.O.B. NORTHEAST: .9900 - 1.0100

DELVD SOUTHEAST: 1.0200 - 1.1000

DRY WHOLE MILK - NATIONAL

Prices are unchanged to higher within the range. Some producers continue to adjust their price with the changes in the CME cash butter price while others are waiting to see what the February milk prices are. The market tone is steady. Production levels are about steady and some producers are getting caught up with orders. Producer stocks are light, but sufficient to cover the seldom better than slow spot demand.

F.O.B. PRODUCING PLANT: 1.2000 - 1.4400

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH FEBRUARY 23, 2001
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 32,722 MT (72,138,921 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone is steady. The Eastern market remains quite firm, supply-wise, but prices are often moving lower to be competitive with Midwestern suppliers. Production levels are about steady. Surplus milk volumes are a little lighter this week and cheese output is off accordingly. Most Eastern producers report being sold out, but an occasional load does become available for spot sale. These loads are easily cleared, but buyers are a little more hesitant to buy extra loads while prices seem to be in a down cycle. Like last week, resellers indicate that market activity is slow.

F.O.B. NORTHEAST: EXTRA GRADE .2575 - .2625

USPH GRADE A .2650 - .2725

DELVD SOUTHEAST: .2800 - .3000

EVAPORATED MILK - NATIONAL

Prices and the market tone are steady. Production levels are little changed. Surplus milk volumes, in many parts of the country, are lighter than expected. Demand continues at a slow to fair pace and mostly for replacement needs. The Kansas City Commodity office announced the award of indefinite quantity contracts for evaporated milk under EVD-1, invitation 660 for delivery April 1 - June 30, 2001. The award is for a minimum of 5,104,080 pounds and a maximum of 6,242,400 pounds at prices ranging \$0.4196-\$0.5666 per pound.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets and prices remain firm. Stock level opinions are mixed. Some buyers are getting what they have contracted on a timely basis, while others are reporting that their deliveries are being delayed. In instances, some domestic buyers are being asked if they could do without a portion of their contracted volumes. Most domestic buyers anticipate the market to remain much the same for the second quarter. Recent foot and mouth disease reports have some domestic buyers questioning availability of casein from Europe or at least, what additional documentation might be required for imports into the U.S.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.3500 - 2.5000

ACID: 2.4500 - 2.6000

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	02/14	02/15	02/16	02/19	02/20	02/21	02/22	02/23	
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CME - (CLASS III) MILK FUTURES -- Dollars per cwt.

FEB 01	10.22 (951) 1	10.21 (948) 23	10.25 (948) 2	NO TRADING	10.26 (951) 6	10.24 (954) 6	10.26 (958) 38	10.24 (957) 3	10.25 (939) 6	10.27 (939) 0
MAR 01	10.90 (993) 41	11.00 (983) 34	11.03 (985) 24		11.02 (994) 124	11.05 (1017) 76	11.25 (1022) 41	11.30 (1033) 23	11.37 (1050) 29	11.39 (1077) 38
APR 01	10.94 (947) 39	11.00 (951) 18	10.99 (961) 68		10.99 (964) 133	10.98 (1007) 93	11.13 (1024) 70	11.13 (1059) 61	11.16 (1062) 17	11.16 (1093) 54
MAY 01	10.99 (978) 24	11.01 (975) 6	10.97 (990) 63		10.97 (987) 73	11.00 (994) 106	11.11 (1001) 101	11.18 (1030) 49	11.18 (1045) 27	11.18 (1079) 65
JUN 01	11.60 (1025) 24	11.60 (1022) 4	11.55 (1042) 76		11.55 (1061) 53	11.60 (1097) 82	11.75 (1116) 56	11.75 (1147) 47	11.75 (1151) 10	11.72 (1192) 61
JUL 01	12.10 (1084) 37	12.15 (1094) 39	12.05 (1102) 133		12.05 (1119) 87	12.08 (1157) 72	12.18 (1170) 62	12.18 (1192) 37	12.18 (1205) 20	12.15 (1234) 40
AUG 01	12.29 (1073) 23	12.35 (1078) 48	12.29 (1096) 135		12.24 (1118) 108	12.27 (1143) 57	12.39 (1148) 59	12.37 (1170) 52	12.37 (1179) 11	12.32 (1201) 47
SEP 01	12.30 (998) 25	12.36 (1016) 53	12.30 (1037) 122		12.27 (1057) 86	12.30 (1072) 48	12.40 (1098) 55	12.40 (1127) 52	12.35 (1139) 24	12.30 (1153) 29
OCT 01	12.31 (945) 33	12.33 (953) 39	12.30 (966) 143		12.28 (983) 101	12.30 (1018) 80	12.37 (1025) 33	12.35 (1052) 50	12.35 (1058) 20	12.32 (1076) 41
NOV 01	11.93 (738) 21	11.98 (740) 47	11.95 (745) 68		11.90 (765) 81	11.82 (776) 45	11.92 (766) 54	11.93 (768) 4	11.85 (776) 8	11.75 (800) 34
DEC 01	11.66 (570) 30	11.68 (581) 32	11.69 (606) 57		11.65 (607) 50	11.65 (626) 41	11.74 (633) 10	11.73 (634) 1	11.67 (641) 9	11.64 (647) 29
JAN 02	11.10 (48) 2	11.10 (54) 16	11.15 (59) 15		11.25 (63) 6	11.18 (66) 3	11.25 (69) 3	11.25 (73) 6	11.25 (77) 4	11.20 (83) 10

CME - CLASS IV MILK FUTURES - Dollars per cwt.

FEB 01	12.61 (218) 10	12.80 (218) 30	12.80 (218) 0	NO TRADING	12.80 (218) 30	12.80 (218) 0	12.80 (217) 6	12.75 (217) 0	12.75 (217) 0	12.75 (212) 5
MAR 01	12.90 (256) 7	13.10 (256) 0	13.10 (256) 5		13.10 (256) 0	13.10 (256) 0	13.15 (256) 0	13.35 (256) 0	13.35 (254) 5	13.25 (254) 0
APR 01	12.78 (220) 0	13.05 (220) 2	13.05 (225) 5		13.05 (227) 4	13.10 (227) 0	13.30 (227) 0	13.45 (227) 0	13.50 (225) 4	13.50 (225) 7
MAY 01	12.80 (224) 2	13.05 (224) 0	13.05 (229) 10		13.05 (231) 2	13.10 (231) 0	13.30 (254) 36	13.70 (254) 0	13.70 (252) 4	13.70 (252) 7
JUN 01	12.90 (196) 2	13.10 (196) 0	13.10 (201) 10		13.10 (203) 2	13.10 (203) 0	13.20 (203) 0	13.50 (203) 0	13.50 (202) 4	13.50 (204) 7
JUL 01	13.05 (216) 2	13.22 (216) 0	13.22 (221) 10		13.22 (221) 0	13.25 (224) 3	13.30 (224) 0	13.60 (224) 0	13.60 (222) 4	13.60 (222) 7
AUG 01	13.30 (146) 4	13.40 (146) 0	13.40 (151) 10		13.40 (151) 0	13.40 (151) 0	13.50 (166) 29	13.85 (166) 0	13.85 (166) 5	13.85 (168) 7
SEP 01	13.22 (134) 0	13.30 (144) 12	13.50 (149) 10		13.50 (149) 0	13.50 (149) 0	13.55 (149) 0	13.75 (149) 0	13.80 (151) 5	13.80 (153) 7
OCT 01	13.20 (139) 0	13.30 (185) 70	13.40 (190) 10		13.40 (215) 30	13.40 (211) 10	13.42 (211) 0	13.42 (211) 0	13.42 (211) 0	13.42 (211) 0
NOV 01	13.20 (154) 0	13.30 (154) 0	13.30 (159) 10		13.30 (159) 0	13.30 (159) 0	13.41 (172) 18	13.70 (172) 0	13.70 (172) 0	13.70 (172) 0
DEC 01	12.65 (26) 0	12.65 (26) 0	12.65 (31) 10		12.65 (31) 0	12.65 (37) 6	12.76 (50) 26	12.90 (50) 0	12.85 (50) 0	12.85 (50) 0

CME - BUTTER FUTURES -- Cents per pound

MAR 01	137.00 (89) 1	140.00 (87) 0	140.02 (86) 6	NO TRADING	143.00 (86) 0	144.00 (88) 3	148.00 (87) 6	153.00 (87) 0	153.00 (88) 6	149.75 (86) 2
MAY 01	139.00 (54) 3	141.00 (54) 0	141.00 (54) 0		142.00 (52) 1	145.00 (52) 0	146.00 (52) 0	151.00 (53) 2	150.00 (53) 0	150.00 (53) 0
JUL 01	142.00 (53) 0	143.00 (53) 0	143.00 (53) 0		143.02 (53) 0	148.00 (52) 1	149.02 (54) 3	154.00 (54) 0	154.00 (58) 6	154.00 (58) 0
SEP 01	145.00 (42) 0	146.00 (42) 0	146.00 (42) 0		147.00 (42) 0	149.00 (42) 0	151.00 (42) 2	156.00 (42) 0	156.00 (42) 0	156.00 (42) 0
OCT 01	143.00 (6) 0	147.00 (6) 0	147.00 (6) 0		148.00 (6) 0	150.00 (6) 0	150.00 (6) 0	155.00 (6) 0	155.00 (6) 0	155.00 (6) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered February 19 - March 2, 2001

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk production throughout most areas of Europe continues to increase seasonally. Some reports indicate that milk output in Germany and the Netherlands is heavier than last year with deliveries, especially in Germany, above quota levels. For the most part, milk production is expected to be at or very close to quota levels throughout Europe by the end of March, the end of the current milk quota year. Animal health concerns continue to plague European producers. The continued BSE situation and now, foot and mouth disease, is causing turmoil with agriculture products. Although manufactured dairy products have not been singled out or identified as problem products, many buyers are cautious about procuring stocks from European countries. At this point, England is the only country that has a ban of all agriculture product exports due to the recent foot and mouth disease detected in the country. There is no official ban of dairy products from other European countries at this time. For the most part, there is no international buyer interest being reported. Outside of a recent purchase of skim and whole milk powder by Mexico, no other significant sales are being reported. Stocks of manufactured dairy products vary, but in most instances, stocks are available for potential sale. Although stocks are available, some traders are questioning what type of health certification might be required by buyers with future sales. In many instances, a clean bill of health is required for at least 12 months which could potentially impact product movement out of Europe during the upcoming production season.

BUTTER/BUTTEROIL: European butter markets are mixed. For the most part, demand is slow and unaggressive, thus current production is either clearing to intervention or being prepared for PSA. Although intervention is open in a few countries, offerings have been reported as light. Currently, most surplus butter production is being readied for PSA which opens mid-March. The current foot and mouth outbreak in England could have a significant impact on European butter production. A significant volume of cream is exported to the mainland for production. At this time, all agriculture products, including cream, are banned from leaving England.

82% BUTTERFAT: 1,200 - 1,350
99% BUTTERFAT: 1,400 - 1,600

SKIM MILK POWDER (SMP): Skim milk powder markets are weak with prices unchanged to generally lower. Stocks of skim milk powder are reported to be available should buyer interest develop. At the current time, outside of some sales to Mexico, demand is slow. Some of this slowdown in demand is being attributed to the recent BSE situation and, more recently, the foot and mouth disease outbreak in England. Most buyers are proceeding cautiously. At this time, outside of England, there is no official export ban on dairy products produced in Europe.

1.25% BUTTERFAT: 2,050 - 2,150

WHOLE MILK POWDER (WMP): Whole milk powder prices are basically steady, although downward pressure is developing, especially from buyers. Stocks of whole milk powder are sufficient to meet needs. Current drying schedules are lighter as milk is being directed toward cheese production which is experiencing strong demand. Whole milk powder demand, along with most manufactured dairy products from Europe, is slow. Recent sales to Mexico have been reported. Shipment of powder from Europe is questionable, especially if specific disease-free certification is being requested.

26% BUTTERFAT: 2,000 - 2,100

SWEET WHEY POWDER: The whey powder market remains weak, especially in comparison to just one month ago. Prices are 20 - 30% lower than at that time. Stocks of whey powder are reported to be available for immediate shipment. The animal feed market had been actively purchasing whey powder as a substitute for the limited supply of skim milk powder. The European veal market has greatly faltered, thus whey powder is more available. Cheese production is seasonally active, thus whey stocks are exceeding demand.

NONHYGROSCOPIC: 450 - 520

OVERVIEW: EASTERN EUROPE: Preliminary milk production reports for Eastern Europe are indicating that milk output is heavier in many countries versus last year. In Poland, milk output is reported to be more than 10% ahead of last year. During the past few years, this region of Europe has not experienced positive milk production, thus this building trend is being looked upon with optimism. Current stocks of manufactured dairy products are limited and basically sufficient to meet internal needs only.

OCEANIA

OVERVIEW: The milk production season in the Oceania region continues to wind down. As has been reported over the past few weeks, milk output in the both Australia and New Zealand is not attaining levels previously projected. In New Zealand, production is reported as mixed and is running 4 - 5% above previous year levels. Although this is ahead of last season, the output is lighter than previously forecast. In Australia, milk output is much like New Zealand and did not reach projected levels. For the most part, Australia's milk volumes are ahead of last season, but lighter than estimated. Early production projections encouraged optimistic stock levels for the upcoming sales year. Early on, in the production season, a significant portion of the upcoming season's output was committed. As the season developed, it became apparent that milk volumes were not attaining projections, thus it appears that stocks of manufactured dairy products during the current season will be just sufficient to meet previous commitments. For the most part, prices are holding steady, although some weakening price trends in Europe are pressuring milk powders. Animal health problems in Europe at this time are causing some buyers to be cautious, thus they are looking elsewhere for needed dairy products. Some are looking to the Oceania region for their needs, but are finding that dairy product supplies are very limited and basically not available for spot or new buyer interest.

BUTTER: Oceania butter markets and prices are basically unchanged. Buyer interest continues to center around previous and ongoing buyer needs. No significant new buyer interest is being reported. Most buyers are fully aware of Oceania's supply situation and are not questioning availability. Oceania producers state that their season's production is fully committed.

82% BUTTERFAT: 1,225 - 1,350

CHEDDAR CHEESE: Oceania cheese markets remain firm at unchanged prices. Demand continues to be strong from Japanese markets with other buyers looking to Australia and New Zealand for additional stocks. Most of the new interest is coming from buyers that are not able to fill their needs from European sources or they are cautious about procuring cheese at this time due to the BSE and foot and mouth animal health situations.

39% MAXIMUM MOISTURE: 1,975 - 2,200

SKIM MILK POWDER (SMP): Oceania skim milk powder markets are generally steady, although a weaker tone is developing. Prices are unchanged to slightly lower with downward pressure occurring due to weaker prices in Europe. Stocks are limited, and for the most part, fully committed. No significant new buyer interest is being reported.

1.25% BUTTERFAT: 2,150 - 2,250

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady at unchanged prices. Stocks of powder are fully committed to previous and ongoing buyer needs. No significant volumes will be available should new buyer interest develop. Some Oceania producers are being questioned about availability due to unsettling market conditions in Europe due to animal health concerns.

26% BUTTERFAT: 2,000 - 2,050

Exchange rates for selected foreign currencies: FEBRUARY 26, 2001

.4137 Dutch Guilder	.4662 German Mark
.1390 French Franc	.4310 New Zealand Dollar
.1034 Mexican Peso	.5235 Australian Dollar
1.4454 British Pound	.0086 Japanese Yen
.2432 Polish Zloty	.9118 Euro

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.1034) = 9.6712$ That is 1 US Dollar equals 9.6712 Mexican Pesos.

Source: "Wall Street Journal"

-- Delivered Major U.S. Cities :: 20,000 -33,000 :: 20,000 -33,000 :: 20,000 -33,000 :: 20,000 -33,000 :: 20,000 -33,000 :: 26,5000 : 27,0000

MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 2001 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 5	REPORT NUMBER 6	REPORT NUMBER 7	REPORT NUMBER 8	REPORT NUMBER 9	2001	2000
	FEB 01 - 02	FEB 05 - 09	FEB 12 - 16	FEB 19 - 23	FEB 26 - 28	Average or Total	Average or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Low/Medium Heat	1.0100 - 1.0600	1.0025 - 1.0600	1.0025 - 1.0600	1.0025 - 1.0600	1.0025 - 1.0600	1.0316	1.0025
-- Mostly	1.0275 - 1.0325	1.0225 - 1.0275	1.0225 - 1.0275	1.0225 - 1.0275	1.0225 - 1.0275	1.0255	1.0068
-- West (f.o.b.)							
-- Low/Medium Heat	0.9950 - 1.0300	0.9950 - 1.0250	0.9950 - 1.0250	0.9950 - 1.0250	0.9950 - 1.0250	1.0103	1.0024
-- Mostly	1.0050 - 1.0150	1.0025 - 1.0175	1.0025 - 1.0175	1.0025 - 1.0175	1.0025 - 1.0175	1.0100	1.0050
-- High Heat	1.0400 - 1.0850	1.0300 - 1.0800	1.0300 - 1.0850	1.0300 - 1.0850	1.0300 - 1.0800	1.0570	1.0295
-- Northeast (f.o.b.)							
-- Low/Medium Heat	1.0325 - 1.0850	1.0325 - 1.0850	1.0325 - 1.0850	1.0325 - 1.0850	1.0300 - 1.0850	1.0586	1.0128
-- Mostly	1.0350 - 1.0600	1.0350 - 1.0600	1.0350 - 1.0600	1.0350 - 1.0600	1.0300 - 1.0600	1.0471	1.0050
-- High Heat	1.0625 - 1.1300	1.0625 - 1.1300	1.0625 - 1.1300	1.0625 - 1.1300	1.0575 - 1.1300	1.0959	1.0673
-- Mostly	1.0675 - 1.1000	1.0675 - 1.1000	1.0675 - 1.1000	1.0675 - 1.1000	1.0600 - 1.1000	1.0832	1.0500
-- Southeast (Delvd)							
-- Extra & Grade A	1.0550 - 1.1500	1.0550 - 1.1500	1.0550 - 1.1500	1.0550 - 1.1500	1.0525 - 1.1500	1.1023	1.0736
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.2500 - 0.2850	0.2500 - 0.2850	0.2200 - 0.2725	0.2200 - 0.2600	0.2250 - 0.2500	0.2514	0.1751
-- Mostly	0.2650 - 0.2750	0.2500 - 0.2750	0.2500 - 0.2600	0.2450 - 0.2550	0.2450 - 0.2500	0.2563	0.1755
-- West (f.o.b.)	0.2200 - 0.2700	0.2200 - 0.2600	0.2200 - 0.2500	0.2200 - 0.2500	0.2200 - 0.2450	0.2370	0.1799
-- Mostly	0.2300 - 0.2425	0.2300 - 0.2400	0.2250 - 0.2400	0.2250 - 0.2400	0.2250 - 0.2425	0.2338	0.1774
-- Northeast Extra Grade (f.o.b.)	0.2700 - 0.2800	0.2700 - 0.2825	0.2650 - 0.2750	0.2600 - 0.2675	0.2575 - 0.2625	0.2693	0.1766
-- Northeast Usph Grade A (f.o.b.)	0.2725 - 0.2850	0.2725 - 0.2850	0.2725 - 0.2775	0.2725 - 0.2775	0.2650 - 0.2725	0.2754	0.1923
-- Southeast Extra Grade (Delvd)	0.3000 - 0.3200	0.3000 - 0.3200	0.2975 - 0.3075	0.2950 - 0.3025	0.2800 - 0.3000	0.3025	0.2075
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.7700 - 0.8000	0.7800 - 0.8075	0.7850 - 0.8150	0.7875 - 0.8200	0.7875 - 0.8200	0.7982	0.4620
-- Mostly	0.7700 - 0.7900	0.7800 - 0.7900	0.7850 - 0.7900	0.7875 - 0.7925	0.7875 - 0.7925	0.7870	0.4540
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.2000 - 0.2600	0.1850 - 0.2600	0.1850 - 0.2525	0.1850 - 0.2300	0.1800 - 0.2125	0.2150	0.1465
-- Roller Ground	0.2550 - 0.2800	0.2550 - 0.2800	0.2475 - 0.2700	0.2375 - 0.2650	0.2350 - 0.2400	0.2570	0.1718
-- Dextrose	0.4150 - 0.4300	0.4150 - 0.4300	0.4150 - 0.4300	0.4150 - 0.4300	0.4150 - 0.4300	0.4225	0.2875
BUTTER MILK (Min. 30% protein)							
-- Central (f.o.b.)	0.9600 - 1.0700	0.9600 - 1.0700	0.9600 - 1.0700	0.9600 - 1.0700	0.9600 - 1.0700	1.0150	0.6950
-- West (f.o.b.)	0.9700 - 1.0300	0.9700 - 1.0300	0.9700 - 1.0300	0.9700 - 1.0300	0.9600 - 1.0300	0.9992	0.6131
-- Mostly	0.9800 - 0.9900	0.9800 - 0.9900	0.9800 - 0.9900	0.9800 - 0.9900	0.9700 - 0.9900	0.9842	0.6070
-- Northeast (f.o.b.)	0.9800 - 1.0000	0.9800 - 1.0000	0.9900 - 1.0100	0.9900 - 1.0100	0.9900 - 1.0100	0.9963	0.7363
-- Southeast (Delvd)	1.0100 - 1.1000	1.0100 - 1.1000	1.0200 - 1.1000	1.0200 - 1.1000	1.0200 - 1.1000	1.0582	0.7220
WHOLE MILK POWDER							
-- National							
-- National (f.o.b.)	1.2000 - 1.4400	1.2000 - 1.4400	1.2000 - 1.4400	1.2000 - 1.4400	1.2000 - 1.4400	1.3200	1.1600
LACTOSE							
-- Central And West (f.o.b.)	0.1550 - 0.2150	0.1550 - 0.2150	0.1550 - 0.2150	0.1550 - 0.2150	0.1550 - 0.2150	0.1850	0.2150
-- Mostly	0.1625 - 0.1725	0.1625 - 0.1725	0.1625 - 0.1725	0.1625 - 0.1725	0.1625 - 0.1725	0.1675	0.2000
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	2.3000 - 2.5000	2.3000 - 2.5000	2.3000 - 2.5000	2.3500 - 2.5000	2.3500 - 2.5000	2.4092	1.9650
-- Nonrestricted - Acid	2.4500 - 2.6000	2.4500 - 2.6000	2.4500 - 2.6000	2.4500 - 2.6000	2.4500 - 2.6000	2.5250	1.9900

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR FEBRUARY 2001

COMMODITY	REPORT NUMBER 5	REPORT NUMBER 6	REPORT NUMBER 7	REPORT NUMBER 8	REPORT NUMBER 9	2001 *	2000 *
	FEB 1 - 2	FEB 5 - 9	FEB 12 - 16	FEB 20 - 23	FEB 26 - 28	Monthly Average	Monthly Average
BUTTER*							
-- GRADE AA							
--Monday		1.3100	1.3200	#	1.5000		
--Tuesday							
--Wednesday		1.3125	1.3300	1.4300	1.5000		
--Thursday							
--Friday	1.3025	1.3200	1.4100	1.5025		1.3852	0.9245
--Weekly Average**	1.3308	1.3142	1.3533	1.4663	0		
CHEESE*							
-- BARRELS				#			
--Monday		1.1600	1.2000		1.2800		
--Tuesday		1.1800	1.2025	1.2500	1.2900		
--Wednesday		1.2000	1.2175	1.2600	1.2900		
--Thursday	1.1400	1.2000	1.2400	1.2600			
--Friday	1.1500	1.2000	1.2500	1.2700		1.2232	1.0910
--Weekly Average**	1.1300	1.1880	1.2220	1.2600			
-- 40# BLOCKS				#			
--Monday		1.1200	1.1600		1.3100		
--Tuesday		1.1400	1.1600	1.2800	1.3200		
--Wednesday		1.1600	1.2250	1.2900	1.3200		
--Thursday	1.1000	1.1600	1.2700	1.2900			
--Friday	1.1050	1.1600	1.2800	1.3000		1.2184	1.1090
--Weekly Average**	1.1010	1.1480	1.2190	1.2900			
NONFAT DRY MILK*							
-- EXTRA GRADE				#			
--Monday		1.0300	1.0300		1.0300		
--Tuesday		1.0300	1.0300	1.0300	1.0300		
--Wednesday		1.0300	1.0300	1.0300	1.0300		
--Thursday	1.0300	1.0300	1.0300	1.0300			
--Friday	1.0300	1.0300	1.0300	1.0300		1.0300	1.0300
--Weekly Average**	1.0300	1.0300	1.0300	1.0300			
-- GRADE A				#			
--Monday		1.0300	1.0300		1.0300		
--Tuesday		1.0300	1.0300	1.0300	1.0300		
--Wednesday		1.0300	1.0300	1.0300	1.0300		
--Thursday	1.0300	1.0300	1.0300	1.0300			
--Friday	1.0300	1.0300	1.0300	1.0300		1.0300	1.0300
--Weekly Average**	1.0300	1.0300	1.0300	1.0300			

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

No trading - Presidents' Day observed

FEBRUARY 2001 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY 2000 – JANUARY 2001		32,303		
02/01/01	ASIA & FSU	175	MAY-SEP	\$75
02/06/01	AFRICA & MIDDLE EAST	70	FEB-APR	\$75
02/08/01	AFRICA & MIDDLE EAST	18	FEB-JUN	\$75
02/12/01	CARIBBEAN, CENT & S. AM	156	FEB-AUG	\$97
02/26/01	ASIA & FSU	18	FEB-APR	\$130
FEBRUARY 1 – 28, 2001		<u>437</u>		
CHEESE				
JULY 2000 – JANUARY 2001		3,030*		
FEBRUARY 1 – 28, 2001		<u>0</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
BUTTERFAT				
JULY 2000 – JANUARY 2001		0		
FEBRUARY 1 – 28, 2001		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
TOTAL MT				PROGRAM TO DATE
TOTAL BONUS VALUE				35,770
				\$6,869,340

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211.

Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

* Program year allocations are filled

FEBRUARY AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2001 advanced 2 points to 126. Compared with February 2000, the index is up 7 points (5.9 percent). The index of prices received by farmers for dairy products declined 1 point during the month of February 2001 to 100. Compared with February 2000, the index was up 10 points (11.1 percent).

Prices received by farmers in February with changes from January were: for All Milk, \$13.10 per hundredweight (cwt.), down \$.10; Fluid Grade Milk, \$13.10 per cwt., down \$.10; and for Manufacturing Grade Milk, \$11.10 per cwt., up \$.20.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., FEBRUARY 2001 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	JANUARY		FEBRUARY		FEBRUARY		FEBRUARY		FEBRUARY	
	2001 <u>2/</u>	2000 <u>2/</u>	2001 <u>4/</u>	2000 <u>2/</u>	2001	2000	2001 <u>7/</u>	2000 <u>8/</u>	2001	2000
CA	12.19	11.00	12.00	11.00	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		39.00	36.50	106.00	79.00
ID	10.80	10.60	10.80	10.40			38.40	37.00	94.00	83.00
MI	13.90	12.30	13.90	12.40			42.50	38.00	64.00	72.00
MN	12.90	11.52	13.20	11.22			41.00	38.20	62.00	60.00
NY	14.10	12.80	14.20	12.70			---	---	103.00	117.00
OH	13.50	12.40	13.30	12.30			41.00	36.30	79.00	110.00
PA	14.50	13.20	14.80	12.90			42.20	36.90	105.00	138.00
TX	14.20	12.80	13.80	13.20			40.00	34.80	73.00	70.00
WA	13.50	11.70	12.90	11.70			---	---	105.00	104.00
WI	12.60	11.64	12.80	11.20			44.00	38.20	51.00	49.00
U.S.	13.20	12.00	13.10	11.80			41.50	37.10	86.80	72.60

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., FEBRUARY 2001 WITH COMPARISONS

ITEM	FEBRUARY 2000	JANUARY 2001 <u>1/</u>	FEBRUARY 2001 <u>2/</u>
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test:			
All milk	11.80	13.20	13.10
Fluid grade milk	11.90	13.20	13.10
Manufacturing grade milk	10.20	10.90	11.10
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	93	97	99
Prices received by farmers for dairy products	90	101	100
Prices paid by farmers for commodities and services, interest taxes, and wage rates	119	124	126
Prices paid by farmers for production items	115	120	123
Prices paid by farmers for feed	101	109	113
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	2.94	3.07	3.07

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

SOURCE: "Agricultural Prices," Pr 1 (2/01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER ADVANCE PRICES, MARCH

Class I Base Price -- Under the Federal milk order pricing system, the Class I base price for March 2001 is \$12.65 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.86 and the advanced butterfat pricing factor of \$1.4483. Class I differentials specific to each order are added to the base price to determine the Class I price. **Class II Price Information** -- The advanced Class IV skim milk pricing factor is \$7.86. Thus, the Class II skim milk price for March is \$8.56 per cwt., and the Class II nonfat solids price is \$0.9511. **Product Price Averages** -- The two-week product price averages for March are; butter \$1.3026, nonfat dry milk \$1.0135, cheese \$1.1402, and dry whey \$0.2603.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	March 2001		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		<u>\$ per cwt.</u>	<u>\$ per cwt.</u>	<u>\$ per pound</u>
Northeast (Boston) <u>4/</u>	001	15.90	11.11	1.4808
Appalachian (Charlotte) <u>5/</u>	005	15.75	10.96	1.4793
Southeast (Atlanta) <u>6/</u>	007	15.75	10.96	1.4793
Florida (Tampa) <u>7/</u>	006	16.65	11.86	1.4883
Midwest (Cleveland) <u>8/</u>	033	14.65	9.86	1.4683
Upper Midwest (Chicago) <u>9/</u>	030	14.45	9.66	1.4663
Central (Kansas City) <u>10/</u>	032	14.65	9.86	1.4683
Southwest (Dallas) <u>11/</u>	126	15.65	10.86	1.4783
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	15.00	10.21	1.4718
Western (Salt Lake City) <u>13/</u>	135	14.55	9.76	1.4673
Pacific Northwest (Seattle) <u>14/</u>	124	14.55	9.76	1.4673
All-Market Average		15.23	10.44	1.4741

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are principal pricing points of markets. 4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other points are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other points are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other points are: Portland, same; and Spokane, same.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF FEBRUARY 26 - MARCH 2			CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES#		
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD		
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/00	LAST YEAR	02/23/01	LAST YEAR		
BUTTER									
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE									
Block	-0-	-0-	-0-	3,050,083	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-	-0-	-0-
Process	198,000	-0-	198,000	4,039,200	396,000	-0-	-0-	-0-	-0-
TOTAL	198,000	-0-	198,000	11,114,559	396,000	-0-	-0-	-0-	-0-
NONFAT DRY MILK									
Nonfort	13,389,725	604,646	12,785,079	197,370,884	139,888,379	425,428,000	-0-	-0-	-0-
Fortified	-0-	-0-	-0-	26,867,069	5,313,347	37,339,000	-0-	-0-	-0-
TOTAL	13,389,725	604,646	12,785,079	224,237,953	145,201,726	462,767,000	-0-	-0-	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF FEBRUARY 26 - MARCH 2, 2001 =	4.6	150.8	COMPARABLE WEEK IN 2000 =	7.0	179.0
CUMULATIVE SINCE OCTOBER 1, 2000 =	151.9	2,720.2	CUMULATIVE SAME PERIOD LAST YEAR =	35.6	1,694.1
CUMULATIVE JANUARY 1 - MARCH 2, 2001 =	35.4	1,237.6	COMPARABLE CALENDAR YEAR 2000 =	24.4	1,100.9

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF FEBRUARY 26 - MARCH 2, 2001 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK		
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED	
MIDWEST	-0-	-0-	-0-	-0-	-0-	198,000	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	12,785,079	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER			CHEESE			NONFAT DRY MILK			MILK EQUIVALENT		
REGION	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	6,035,040	396,000	2,847,261	14,540,802	37.1	19.2	-0-	-0-	-0-	-0-
WEST	-0-	-0-	5,039,919	-0-	221,390,692	130,572,740	62.7	80.7	-0-	-0-	-0-	-0-
EAST	-0-	-0-	39,600	-0-	-0-	88,184	0.2	0.1	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	11,114,559	396,000	224,237,953	145,201,726	100.0	100.0	-0-	-0-	-0-	-0-

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 16, 2001

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6549; 1# Prints \$.6849

CHEESE: 40 & 60# Blocks \$1.1314; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process American 2# \$1.2239

NONFAT DRY MILK: Nonfortified \$1.0032; Fortified \$1.0132; Instant \$1.1607

Dairy & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 02/10/01 & Comparable Week 2000

Regions*		1	2	3	4	5	6	7	8	9	10	U.S. TOTAL	% DAIRY OF ALL	
												WEEK :SINCE JAN 1	WEEK : SINCE JAN 1	
2001-Dairy cows HD (000)	0.3	0.8	5.8	5.5	21.7	2.9	2.3	1.0	11.7	3.4	55.1	348.5	51.2	50.0
2000-Dairy cows HD (000)	0.3	1.0	7.6	5.2	20.8	2.7	1.2	0.8	11.3	3.3	54.0	324.5	50.4	49.4
2001-All cows HD (000)	0.3	0.8	7.8	14.0	31.3	13.2	17.8	5.4	13.2	6.3	110.1	697.3		
2000-All cows HD (000)	0.3	1.2	10.2	15.0	29.4	12.2	14.8	5.1	12.8	6.4	107.2	656.6		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Class I 1/	13.99	11.94	12.65									
Class II	12.82	13.43										
Class III	9.99	10.27										
Class IV	12.13	12.70										

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mlb/class_prod_milk_comp_pr.htm